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September 11, 1995

**EX PARTE**

William F. Caton  
Acting Secretary  
Federal Communications Commission  
Mail Stop 1170  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

Dear Mr. Caton:

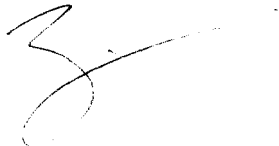
Re: *RM-8643 - Petition for Rulemaking of Pacific Bell Mobile Services  
Regarding a Plan for Sharing the Costs of Microwave Relocation*

Today, James Tuthill, General Counsel, Vice President, External Affairs, Pacific Bell Mobile Services, and I met with Gerald P. Vaughan, Deputy Chief, Laurence D. Atlas, Associate Bureau Chief, Wireless Telecommunications Bureau; Rosalind K. Allen, Chief, and Linda Kinney, Commercial Radio Division, Wireless Telecommunications Bureau; to discuss matters summarized in the attachment.

We are submitting two copies of this notice in accordance with Section 1.1206(a)(1) of the Commission's Rules.

Please stamp and return the provided copy to confirm your receipt. Please contact me should you have any questions or require additional information concerning this matter.

Sincerely,



cc: Rosalind K. Allen  
Laurence D. Atlas  
Linda Kinney  
Gerald P. Vaughan

Attachment (1)

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USACODE

# MICROWAVE RELOCATION

INCUMBENTS COULD HAVE  
MONOPOLY-LIKE CONTROL  
OVER ACCESS TO SPECTRUM.  
NTIA, 1992.

# NEED FOR COMMISSION HELP IS URGENT

- SOME INCUMBENTS BELIEVE THAT THEY ARE ENTITLED TO “GREENMAIL” TO MOVE DURING VOLUNTARY PERIOD.
- THE COMMISSION SHOULD CLARIFY OR REVISE THE RULES.
- INCUMBENTS SHOULD BE REQUIRED TO NEGOTIATE IN GOOD FAITH FOR RELOCATION TO COMPARABLE FACILITIES.

# PARTIES WARNED OF THESE RISKS IN 92-9

- NTIA SAID THAT INCUMBENTS COULD HAVE MONOPOLY-LIKE CONTROL OVER ACCESS TO SPECTRUM.
- APC AND OMNIPPOINT SAID INCUMBENTS WOULD BE UNREASONABLE.

# UTC SAID IN 1993 THESE CLAIMS WERE WRONG

- IT TOLD THE COMMISSION THE INCUMBENTS' LICENSES ARE BUSINESS TOOLS AND NOT A COMMERCIAL "FRANCHISE."
- IT SAID THAT THE EVIDENCE CONFIRMS THAT INCUMBENTS WILL NEGOTIATE IN GOOD FAITH FOR REASONABLE OFFERS.

# MANY INCUMBENTS ARE NOT ACTING REASONABLY

- MANY ARE SEEKING “MONOPOLY RENTS” JUST AS NTIA PREDICTED.
- INCUMBENTS ARE FALLING INTO TWO GROUPS: THOSE WHO ARE WILLING TO MOVE FOR COMPARABLE FACILITIES AND THOSE WHO WANT 4 TO 5 TIMES COST OF COMPARABLE FACILITIES.

# REVENUE FROM FUTURE AUCTIONS IS JEOPARDIZED

- COMMISSION AND CONGRESS EXPECT SIGNIFICANT REVENUE FROM FUTURE AUCTIONS.
- IF INCUMBENTS ARE ALLOWED TO EXTRACT MONOPOLY RENTS, THE COMMISSION AND THE TREASURY WILL RECEIVE LESS REVENUE.

# COMMISSION ACTION NEEDED

- TO FULFILL PCS PROMISE: NEW SERVICES, LOWER PRICES, AND, COMPETITION.
- TO MAXIMIZE REVENUE FOR TREASURY FROM FUTURE AUCTIONS.